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News Release



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FINANCIAL

X-Cal and Placer Dome Complete Agreement to Explore Reese River Pediment Properties Lander County, Nevada

X-Cal Resources Ltd and Placer Dome Exploration and Placer Dome US have completed a detailed agreement to jointly explore the Reese River Pediment properties, located in Lander County, Nevada. The detailed agreement confirms the previously announced letter agreement (see press release dated September 15, 2005).

The early stage project was conceived and staked by Placer Dome. The project area is composed of three claim blocks totaling approximately 3,000 acres, located on the western side of the Shoshone Range, near the Horse Mountain Window. The pediment is thought to be shallow in this location. (A summary power point presentation can be viewed at www.x-cal.com or <http://www.x-cal.com/pdf/PRESENTATION-RRiverSept.pdf>)

Title to the claims will now be transferred from Placer Dome to X-Cal. A work program to be designed jointly by X-Cal and Placer Dome for 2006, will be funded 100% by X-Cal. X-Cal has agreed to carry out a minimum of \$US 200,000 of drilling prior to September 30, 2006. The budget for the 2006 program can be increased by mutual agreement.

Upon completion of the year one program, Placer Dome will have a onetime right to triple X-Cal's expenditures in years two and three to earn a 51% interest in the properties. If Placer Dome triples X-Cal's

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expenditures, it will gain the right to earn an additional 19% by covering all costs associated with exploration and development of the properties until a feasibility study has been produced. For clarity, X-Cal's year one budget could be the only expenditure by X-Cal until feasibility, at which point the project would be 70% owned by Placer Dome and 30% owned by X-Cal. A number of default points could vary the ratios. For example, if X-Cal does not meet its year one minimum, the project will be returned 100% to Placer Dome. If X-Cal completes year one and Placer Dome does not triple X-Cal's year one expenditure, then X-Cal will retain 100% of the project and deliver a 2% NSR to Placer Dome.

The Reese River Pediment Properties are located on the western side of the Shoshone Range. The Phoenix Fortitude and Cove McCoy gold mines are located across the Reese River Valley, west of the Reese River Pediment properties. Placer Dome's 60% owned Cortez Gold Mine is located southeast of the properties on the Crescent Valley side of the Shoshones. (see location map at [www.x-cal.com](http://www.x-cal.com/news_releases/pdf/nr20050915/Reese%20River%20Property%20Sept%2015-05.pdf) or http://www.x-cal.com/news_releases/pdf/nr20050915/Reese%20River%20Property%20Sept%2015-05.pdf).

X-Cal looks forward to exploration of the Reese River Pediment Project in technical association with Placer Dome.

X-Cal also has 100% of the nearby Mill Creek gold project, located in Lander County, Nevada which is currently under option to Placer Dome (see press releases dated June 29 and July 11/2005).

X-Cal is also 50% owner of the Sleeper Joint Venture, which is exploring the 30 square mile Sleeper Gold District, located in Humboldt County, Nevada. The Sleeper Gold Project is the most advanced of X-Cal's three Nevada gold properties. X-Cal announced a review of Sleeper on November 8, 2005 which is ongoing.

The contents of this release have been reviewed by Larry Kornze, P. Eng who is a Qualified Person as defined by NI-43-101.

Caution Concerning Forward-Looking Statements

This news release and related images contain certain "forward-looking statements" including, but not limited to, statements relating to interpretation of drilling results and potential mineralization, future exploration work at the Reese River Pediment Properties, Mill Creek and Sleeper Gold Projects and the expected results of this work. Forward looking statements are statements that are not historical facts and are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: risks related to fluctuations in gold prices; uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in planned work resulting from weather, logistical, technical or other factors; the possibility that results of work will not fulfill expectations and realize the perceived potential of the Reese River Pediment Properties, Mill Creek and Sleeper Gold Projects ; uncertainties involved in the interpretation of drilling results and other tests; the possibility that required permits may not be obtained in a timely manner or at all; risk of accidents, equipment breakdowns or other unanticipated difficulties or interruptions; the possibility of cost overruns or unanticipated expenses in the work program; the risk of environmental contamination or damage resulting from the exploration operations at the Reese River Pediment Properties, Mill Creek and Sleeper Gold Projects.

Forward-looking statements contained in this release are based on the beliefs, estimates and opinions of management on the date the statements are made. There can be no assurance that such statements will prove accurate. Actual results may differ materially from those anticipated or projected. X-Cal Resources undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change.

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Note: X-Cal Resources Ltd. can be referenced through the Standard & Poors Directory.